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**UNITED STATES, JAPAN, EUROPEAN UNION, KOREA AND TAIWAN ANNOUNCE
NEW ACCORD ON SEMICONDUCTOR TRADE PRACTICES**

The United States, Japan, Korea, Taiwan and the European Commission announced today a new, multilateral, Joint Statement on Semiconductors designed to ensure fair and open global trade in semiconductors. The new Joint Statement follows on the 1996 bilateral U.S.-Japan Joint Statement on Semiconductors which expires July 31, 1999, and includes the essential elements of the 1996 accord such as regular meetings among governments and between governments and representatives of semiconductor industries from different countries.

“Our 1996 bilateral agreement with Japan has worked well and led to an unprecedented level of cooperation between Japanese semiconductor users and U.S. suppliers,” said United States Trade Representative Charlene Barshefsky. “In addition, the foreign share of the Japanese semiconductor market has exceeded 30% in every quarter since the beginning of 1997. The 1996 bilateral accord, which mandated the expeditious elimination of semiconductor tariffs as a condition for participation by third countries, proved to be an essential building block for the Information Technology Agreement, which substantially eliminated semiconductor tariffs globally.”

Under the new Joint Statement, industry CEOs will continue to meet in the World Semiconductor Council (WSC) to discuss and engage in cooperation concerning global issues such as standardization, environmental concerns, worker health and safety, intellectual property rights, trade and investment liberalization, and worldwide market development. As under the 1996 Joint Statement, governments and other authorities will meet at least once a year to receive and discuss the recommendations of the WSC regarding policies of governments and authorities which may affect the future outlook and competitive condition within the global semiconductor industry.

The 1999 Joint Statement also provides that other governments or authorities whose national/regional industry associations have joined the WSC may become parties, if they support the objectives of the Joint Statement. Under this provision, Taiwan endorsed the objectives of the of the Joint Statement and became a party to the agreement.

This Joint Statement will be subject to review after five years (August 1, 2004) from the date of issuance. It may also be modified in whole or in part at any time by mutual consent of the parties.

Key pro-competitive provisions of the new Joint Statement include a commitment by all parties to: barrier-free trade in semiconductors in markets worldwide; the principle that competitiveness of companies and their products, not the intervention of governments and authorities, should be the key determinant of industrial success; government and authorities' measures should be fully consistent with the letter and spirit of the WTO Agreements and governments and authorities should avoid any form of discrimination; and the parties recognize that the GATT 1994 condemns injurious dumping, and reaffirm the need to avoid the problem of injurious dumping through fair and effective antidumping measures consistent with GATT 1994 and the WTO Agreement on Implementation of Article VI of GATT 1994 (Antidumping Agreement).